

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION  
CITY OF SCOTTSDALE  
PINNACLE CONFERENCE ROOM  
7575 EAST MAIN STREET  
SCOTTSDALE, ARIZONA  
JULY 20, 2004  
MINUTES**

**PRESENT:** Tom Morrow, Chairman  
Ned Sickie, Vice Chairman  
Jerry Gleason, Commissioner  
John Holdsworth, Commissioner  
Sally Shaffer, Commissioner  
Gordon Zuckerman, Commissioner

**ABSENT:** Margaret Dunn, Commissioner

**STAFF:** Kathy O'Connor  
Kathy Montalvo  
Michelle Korf  
Lee Guillory

**OTHERS PRESENT FOR ALL OR PORTIONS OF THE MEETING:**

Brent DeRaad  
Lauren Kapinos  
Maria Pieterick  
Kristi Miller

**CALL TO ORDER**

Chairman Morrow called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m.

**ROLL CALL**

A formal roll call confirmed members present as stated above.

**APPROVAL OF MINUTES**

**A MOTION WAS MADE BY COMMISSIONER GLEASON TO APPROVE THE MINUTES OF THE JUNE 22, 2004 MEETING AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER SHAFFER AND PASSED UNANIMOUSLY.**

### **BED TAX COLLECTION & FINANCIAL REPORTS**

Ms. O'Connor explained that the pro forma was not included in this month's packet because they are still working on closing the fiscal year-end accounting. The Commission will receive the final pro forma with the fiscal year-end figures at the August or September meeting. She reported the bed tax numbers are up 7 percent over last year's and the retail sales tax receipts were up 11 percent over last year's. She further reported that preliminary figures indicate FY 03/04 bed-tax receipts exceeded the budget by \$300,000.

Vice Chairman Sickel inquired if there was a market share report. Ms. O'Connor replied the Commission reviewed the Competitive 2003 Market Share report in April. A report is done every six months so they have an update report in August.

Commissioner Shaffer asked what happens with the overage amount. Ms. O'Connor explained that it goes into the fund balance. However, when there is a carryover balance, they do have some flexibility for making proposals to the City Council. She explained the process of putting together the pro forma, noting that it is intended to give the Commission a picture of the cash flow.

Commissioner Holdsworth stated -- going back to the market share -- one of the things he would like to see in addition to the information the Commission receives on percentage increases and decreases to see if there were triggering events that might affect that positively or negatively.

He inquired about the process for using the contingency funds. Ms. O'Connor replied the Commission would need to identify what the money would be spent for and put together a Council report if the request is in excess of \$20,000; if it is under \$20,000 it does not need to go to Council. Commissioner Holdsworth asked about the time frame for getting something approved. Ms. O'Connor explained that it would depend what is on the Council agenda. She reported that the Council is on summer break until August 30, 2004.

Commissioner Zuckerman inquired if there is reluctance to spend the contingency because of unforeseen impacts on the economy. Ms. O'Connor replied she did not know if there was reluctance but rather a much more cautious approach to additional spending. Chairman Morrow explained that there has always been the tendency to look at the pro forma budget as cast in stone and they cannot adjust or change it. He stated that he did not think the Commission ought to have that attitude and if we see things that in our judgment maybe should be changed or adjusted that they speak up. Ms. O'Connor reported that per the budget allocation procedure, typically everything that is left over goes to capital projects.

### **SCOTTSDALE CONVENTION & VISITORS BUREAU UPDATE**

Mr. DeRaad provided an update on what the CVB is working on with regard to Culture Quest. He reported we continue to market the arts and culture in Scottsdale through Culture Quest.

Ms. Kapinos reported the CVB would be producing, in the next few months, a Desert Discovery Guide. The main purpose is to increase interest in the Sonoran desert and provide information about hiking, biking, trails and other nature activities.

Ms. Kapinos presented information on how they are working with the concierges to ensure that they are aware of the events so they direct people to these events.

Mr. DeRaad provided an update on the event-marketing program. He announced that the CVB received an award for their IRIS system. He reported the CVB is in the process of proposing a new four-year agreement with the Fiesta Bowl. He provided information on the two new golf events the Tommy Bahama Challenge and the Golf World Scottsdale event. Ms. Kapinos stated there are great marketing opportunities associated with the Rock 'n Roll Marathon.

Vice Chairman Sickel inquired if the Iron Man Arizona event in April had opportunities in terms of getting participants to stay in Scottsdale hotels. Mr. DeRaad replied the CVB has not been involved yet but he thought there were opportunities that they need to explore. He reported that he has been working with Carla and the Sonoran Land Trust on the Tour de Scottsdale cycling event that will take place in early October. He noted the Commission would probably see an event application for funding.

Chairman Morrow stated the CVB tends to talk a lot about media impressions, and he is not saying they are not important, he inquired as an example for Culture Quest what was the total attendance and how much did it cost to generate that attendance. Mr. DeRaad replied that it cost quite a bit. The attendance for 30 events was 6,400 people. He reported that media impressions are the most measurable thing to indicate the effectiveness of their marketing effort.

Chairman Morrow stated that it is his understanding they track inquiries according to categories. He asked how they did in terms of art related inquiries. Ms. Kapinos replied it continues to grow but that she did not have the specific numbers but could track the number of art inquiries.

### **FIVE-YEAR STRATEGIC TOURISM DEVELOPMENT MARKETING PLAN**

Ms. O'Connor reviewed the process for the five-year strategic tourism development and marketing plan update. She explained the purpose of the report is to provide background and procedural information to the Commission regarding the development of the five-year hospitality marketing strategy. The current plan covers 2000-2004. The Commission will be asked to address key areas and objectives for consideration in Scottsdale's strategic tourism development plan for the next five years.

She reported city staff in conjunction with the CVB staff would prepare a proposed “Scope of Work” that will be presented to the Commission for consideration in August. She further reported upon Council approval, staff would initiate the solicitation process. At the same time, an Oversight Committee will be established to review the responses to the RFP, select the most qualified responder, and to monitor the project’s progress and provide feedback to the consultant at a series of (four to five) meetings during the development of the final project. The Oversight Committee consists typically of City staff, CVB staff, member of the TDC, and other industry representatives.

Commissioner Holdsworth stated that he would like the following questions addressed overtime:

How successful are the various sections of the existing plan? What has worked? What did not work? Clarification on the previous plan on how the ultimate funding piece was put together. Technology is an important piece and he has heard there are a lot of data base web base technology initiatives but he does not have a good feel for the tools that exist for the CVB. What works? What does not work? What the CVB would like to see in new initiatives in the future. Whether there is technology related initiatives within the City or CVB that allow them to interest and attract more meeting planners. Look at potential creative ideas to develop tourism.

Ms. O’Connor she would address those issues at the August meeting.

### **VISITOR INDUSTRY CUSTOMER ANALYSIS REPORT**

Ms. Pieterick reported the CVB recently completed a comprehensive Visitor Industry Customer Analysis representing data from hotel/resort leisure guest records over a one-year period. The Scottsdale CVB achieved two basic objectives:

Strategic – Increase knowledge to update our understanding of the Scottsdale resort visitor through the development of key profiles, metrics, geographic, demographic, expenditures and lifestyle. Tactical – Identify Highest Potential Opportunities leverage gained knowledge to enhance the creative, timing, content, and targeting of marketing initiatives. Identify high potential Scottsdale markets. She reviewed the key findings in the report.

Commissioner Holdsworth inquired if the CVB has done anything to try and drive business from the secondary markets. Ms. Pieterick replied in the affirmative.

Commissioner Holdsworth inquired about the look to book ratio on the web site. Mr. DeRaad replied it would be less than five percent. Ms. Kapinos reported they have explored a relationship with “Travelocity” to put a booking engine on the home page.

### **2003 MEETINGS INDUSTRY STUDY FOLLOW-UP**

Ms. Miller reported between 2001 through 2003 the Scottsdale CVB shifted significant resources toward meetings market to augment existing programs and create new strategic sales and marketing initiatives. She further reported that these initiatives have generated great results.

She explained that the Scottsdale CVB can track significant positive trends in both awareness of Scottsdale and corporate meeting incidences in Scottsdale according to Metropoll studies and the CVB already has 25% more definite meetings on the books for 2003-2004 than we had this time last year.

### **LOLOMA WESTERN MUSEUM STATUS REPORT**

Ms. O'Connor introduced Michelle Korf, Deputy Director, Downtown Group, to give an overview of what the City is planning for the Loloma Western Museum. She reported that \$3 million of the bed tax budget has been allocated for this project.

Ms. Korf provided a brief overview of the project. She reported the City of Scottsdale has an opportunity to partner with the Buffalo Bill Historical Center regarding locating it in downtown Scottsdale at the Loloma site. The Loloma development project that was approved by the City Council in 2002 includes a cultural component.

Chairman Morrow inquired if Ms. Korf anticipates the City will be coming to the Commission for additional funding for capital or operating expenses. Ms. Korf replied it would be difficult to say at this point because they have not yet formulated an operating budget.

(Vice Chairman Sickel left at 9:35 a.m.)

### **TOURISM INDUSTRY OVERVIEW**

Ms. O'Connor stated in a follow up to the discussion at the June meeting pertaining to providing the City Council members with information about the City's Tourism Development program and the benefits generated by the tourism industry for the City and its residents, a draft document was included in the Commission packet for their review.

She explained it is an introduction to the tourism development program and to industry impact and will be accompanied by a cover letter from Chairman Morrow explaining the Commission's interest in keeping the Council informed, and encouraging any questions, they might have regarding tourism. Subsequent communications could be issue-specific as appropriate, or simply provide more detail and updated information on program projects and results.

Commissioner Holdsworth suggested using color to highlight some of the good numbers and economic impact et cetera.

Commissioner Holdsworth inquired if it would be appropriate to send an invitation to the Commission Retreat along with this document. Chairman Morrow explained the problem is that if there are more than four Council members present then they have a quorum and it becomes a City Council meeting. A discussion ensued regarding the importance of Council understanding the contribution tourism makes and not taking it for granted. It was suggested they invite the Council members to attend the Commission's regular meetings.

Ms. O'Connor reported the Council does receive calendars for all Board and Commission meetings and receive regular updates on what occurred. In addition, our General Manager, Dave Roderique, directly reports to the City Manager several times a week about issues relevant to our department.

Commissioner Holdsworth inquired if there would be value to elevate their position within the staff of the city with Jan Dolan. Chairman Morrow reported that he has lunch with Jan from time to time and she understands his attitude about being taken for granted noting there is not any opposition or lack of understanding on her part. He further reported that he might ask Jan to come to a Commission meeting. Ms. O'Connor suggested that instead of requesting she attend any meeting they should invite her if they have a specific issue, question, or project.

Commissioner Zuckerman stated that he felt Councilman Ecton's presence at the last meeting was helpful. He inquired about the interest level on the part of the Council regarding this Commission. Chairman Morrow commented that it was probably higher when Tom Silverman was on the council. Ms. O'Connor reported that this Commission carries quite a bit of weight with the council because of the nature of their background in the industry and expertise. She further reported that this is the only Commission that has a dedicated revenue source.

Ms O'Connor stated there was an article in the Scottsdale Republic that quoted Councilman Jim Lane as stating that his favorite thing about living in Scottsdale is the enhanced quality of life based being a vacation destination. So, by virtue of that statement another Council member has expressed an interest in tourism. Chairman Morrow stated he would send Councilman Lane an email. Commissioner Holdsworth suggested Chairman Morrow responds through the newspaper.

### **ADMINISTRATOR'S REPORT**

Ms. O'Connor discussed the highlights of the Smith Travel Report.

Ms. O'Connor reported that the city has had conversations regarding taking a small portion of Rawhide and placing it at WestWorld on the 8 to 10 available acres. She

further reported there are a lot obstacles they would have to overcome. The most significant is that the Bureau of Reclamation approval would be required. She noted that Rawhide has received proposals for other municipalities. She asked if the Commission would be interested in supporting this with bed tax funds if there were the possibility of moving this to the next level. Does the Commission feel that Rawhide is important to the community? Commissioner Gleason expressed his concern regarding subsidizing a private enterprise. Commissioner Zuckerman stated that he would go on record that Rawhide is tremendous and is what his customers are looking for that southwest feel. The consensus of the Commission was that there is interest but without anything, concrete they could not say yes or no.

### **UPCOMING EVENTS AND COMMISSION BUSINESS**

Ms. O'Connor reported the next regularly scheduled meeting would take place, Tuesday, August 17, 2004.

### **ADJOURNMENT**

The meeting concluded at 10:00 a.m.

Respectfully submitted,

“For the Record” Court Reporters.